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C O N F I D E N T I A L SECTION 01 OF 05 TEGUCIGALPA 000310

SIPDIS

STATE FOR WHA/CEN
ADDITIONAL ADDRESSES

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TAGS: [PGOV](#) [KDEM](#) [HO](#)
SUBJECT: UPDATE ON 4TH URN

Classified By: Ambassador H. Llorens, Reasons 1.4 (b & d)

¶1. (C) Summary: In recent weeks, increasingly erratic statements and actions by President Manuel "Mel" Zelaya have heightened political tensions here. Zelaya's effort to seek a referendum (the Fourth Urn) in the upcoming national elections in November on whether to convene a constituent assembly to reform the constitution is seen by many as a ploy to remain in power. Zelaya faces major institutional opposition within his own Liberal Party, the opposition National Party, in Congress, the Supreme Court and amongst the business community. Nevertheless, the opposition remains fractured and has not been able to come up with a coherent strategy to counter him. Liberal Party standard bearer Elvin Santos had taken a tough line against the Fourth Urn proposal, while the National Party has flipped and may support some version of the Fourth Urn. At this point, we do not believe the military will support an extra-legal attempt by Zelaya to grab power, although there are rumors of Zelaya intimates seeking to sway key military officers in support of their cause. Zelaya and his advisors continue to insist that their support for the Fourth Urn is driven by widespread popular disenchantment with the current political situation and cite polls showing 70 percent support for the proposal. Privately with the Ambassador and in several public statements, Zelaya insists he will handover power to the newly-elected President as scheduled on January 27, 2010. Although Zelaya's populist rhetoric and actions have tapped a certain level of support, there is no groundswell movement at this stage and no evidence whatsoever that the Honduran people would support an attempt by Zelaya to continue in office beyond his constitutionally mandated term. The Embassy will continue to work hard behind the scenes to promote a constructive dialogue that ensures a legal,

constitutional and consensual way forward, while making clear to all that the U.S. stands firm in support of democracy here and will strongly oppose any efforts to reverse the many substantial gains that Honduran democracy has achieved in the past 29 years. End Summary.

12. (C) What began as the charges of just a few of the more right-wing anti-Zelaya pundits has evolved into a more generally accepted wave of public sentiment that Zelaya may be seeking to hold on to power beyond the end of his term in office on January 27, 2010, or set things up so he can return in the near future. His increasingly frenetic effort to push for the Fourth Urn and his inflammatory April 21 statement suggesting adoption of the "Law of Crossed Deaths" and an "Ecuadorian-style" dissolution of the Congress and the Executive, has heightened political tensions here in Honduras.

Liberal Party: Taking the Hard Line

13. (C) At a dinner hosted by the Ambassador on April 26 with senior Liberal Party (PL) leaders, including Presidential candidate Elvin Santos, Congress President Micheletti and former President Carlos Flores, expressed their strong opposition to the Fourth Urn. Nevertheless, they admitted that they have not yet come up with a strategy to counter Zelaya. The Liberals also recognized that for the moment all dialogue has broken down with President Zelaya, a fellow

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Liberal. The Ambassador acknowledged that Zelaya's plans to hold a Fourth Urn were a cause for concern and a distraction from the real task of dealing with the growing economic and security problems facing the country. The Ambassador stressed U.S. support for Honduran democracy and constitutional rule but encouraged the Liberal leaders to maintain a dialogue with Zelaya and his government and seek to find a legal, constitutional and consensual way to deal with the issue. Congress President Micheletti and all of the senior Liberal Party leaders are seriously concerned that Zelaya is seeking to undermine democracy and disrupt the constitutional order. Micheletti is the most determined and appears to be taking the hardest line against Zelaya. On April 29, he convened party officials and "forced" the members present to sign a pact that declared their opposition to the Fourth Urn. Liberal Presidential Candidate Elvin Santos has also taken a tough line against the President and the Fourth Urn out of genuine concern about Zelaya's motives and because polls show him over ten points ahead of his chief rival, National Party candidate Pepe Lobo. Santos is convinced he can win the election without Zelaya's support. Former President Carlos Flores and party caudillo sees Zelaya as a potential danger to democracy. Flores seeks to outmaneuver Zelaya, but wants to avoid a political train wreck and therefore is seeking to find an honorable/negotiated way for Zelaya to exit the political scene. Flores is considering a number of options that include using action by the Supreme Court of the National Congress to legally block the Fourth Urn. He has also contemplated a possible deal that would allow the holding of the Fourth Urn, but regulate the referendum in a way that would ensure that Zelaya leaves office on January 27, 2010 and that once out of office he cannot dictate the terms of any future Constituent Assembly.

National Party: We don't trust the Liberals

14. (C) The National Party (PN) leadership is similarly worried about Zelaya's attempts to hang on to power or create conditions to retain his political viability and seek power at a future date. National Party Presidential Candidate Pepe Lobo's initial reaction was to staunchly oppose the Fourth Urn proposal. Lobo publicly described Zelaya's intentions as a "blatant effort to subvert Honduran democracy

and stay in power." Nevertheless, trailing Santos in the polls has forced Lobo to reconsider his position. At a dinner at the Ambassador's residence on April 28, Lobo told us that the his polling suggests that the Fourth Urn has great popularity, reaching more than 70 per cent of the electorate, although the same polling shows 80 percent are opposed to Zelaya's staying in power beyond his term. We expect Lobo and his team to maintain a public position supporting the idea of consulting the public through some type of referendum, but like Carlos Flores they will seek to regulate the proposal in a way that neutralizes Zelaya. In fact, Lobo has recently stated publicly that he supports consulting the people with a guarantee that there is no "continuismo" (continuation of Zelaya in power).

Military: How They Will React is the Big Question

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15. (C) Throughout our conversations with both the Liberals and Nationalists, the question frequently surfaces as to the role of the Honduran military in this political crisis. Both Liberal and Nationalist leaders are extremely worried that Zelaya may have been able to buy the loyalty of the Honduran Armed Forces (HOAF) by giving them hefty raises in pay and added benefits. In a lengthy private meeting with the Ambassador on April 27, Chief of Defense, Romeo Vasquez Velazquez, recognized the existing dangers of the current political situation. Nevertheless, he reiterated his and the military high command's support for the constitution and Honduran democracy and stressed that the military would not countenance any extra-legal action. Vasquez stressed that the military would continue to faithfully serve the civilian leadership (President Zelaya and Minister of Defense Edmundo Orellana) while supporting the constitution. He said his primary objective was the holding of free and fair general elections on schedule in November, and the smooth transfer of power to a newly-elected President in January 2010. Vasquez believes the military has to carefully maneuver to avoid being enmeshed in the political infighting between Zelaya and his enemies. In these discussions, the Ambassador has stressed to Vasquez our view that the Fourth Urn is a distraction from dealing with the serious economic and security issues that face Honduras, but that above all U.S. policy is firmly on the side of Honduran democracy and will oppose any effort to undermine constitutional rule. The Ambassador stressed the Embassy's strong political and technical support for the upcoming electoral contest. (Note: Zelaya has assiduously cultivated the military and has developed a close personal relationship with Vasquez. These ties have led many observers to believe that Vasquez can be convinced to join Zelaya in some effort to disrupt the democratic process. However, our assessment at this stage is that Vasquez and the other service chiefs would be reluctant to risk tarnishing the military's hard won post-Cold War reputation in the country, as a viable, professional and venerated institution, in support of a risky political adventure. Personally Vasquez has achieved the pinnacle of his career and is looking forward to retirement and a possible new life in business or politics. (End Note).

16. (C) Looking forward, the Honduran military will closely follow political developments and will look to the Supreme Court and the National Congress to provide the legal parameters for whether a Fourth Urn is allowed or not. The military high command has already met with Liberal Party candidate Elvin Santos. Santos reported to us that the meeting was very productive and that he had conveyed his interest in providing strong budgetary support for the military, as well as good benefits for the officers and men. We understand that National Party candidate Pepe Lobo is also scheduled to meet with the military this month.

The Supreme Court:

17. (C) The Honduran Supreme Court will also play a potentially critical role in dealing with the Fourth Urn. For example, the Court has the authority to abrogate the Honduran government's decree to hold a nationwide poll on June 30 to canvass popular feeling about the Fourth Urn. Zelaya hopes to use evidence of strong popular support for the idea as a tool to press Congress to approve the Fourth

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Urn and include it on the election-day ballot. At a breakfast on April 29, Supreme Court President Jorge Alberto Rivera Aviles told the Ambassador that he believed that President Zelaya was using the Fourth Urn as a possible means for him to stay in power. He expressed the fear that Zelaya would manipulate the Fourth Urn to show that he retained more popular support than the two principal candidates of the two traditional parties. Rivera said that Zelaya might seek to direct the constituent assembly to impose a radical Chavez-style participative constitution that would call for new elections and allow Zelaya back in power. Rivera said that there were a number of legal and constitutional ways to prevent Zelaya from achieving his aims. He cited the possibility that the Supreme Court could block the planned poll, ruling that the GOH could not use the National Statistical Institute to canvass the public on an issue that was political in nature. Rivera also suggested that both the National Congress and the Supreme Electoral Tribunal could simply deny Zelaya's request that the Fourth Urn be added to the ballot list for the November elections. Rivera mused that a compromise solution might be for Congress to approve the Fourth Urn but regulate the proposal in such a way that it would neutralize Zelaya. He suggested that the National Congress could specify the date for the convening of the constituent assembly (September 2010, for example) far enough away in the future to give the new government sufficient time to fully assume the reins of power. Rivera also suggested that the current National Congress could stipulate that the newly-elected Congress would serve as the constituent assembly, presided over by the newly-elected President of Congress, and thus nullify efforts by Zelaya and his supporters to appoint radical left-wing allies to the assembly. In his discussions with Rivera, the Ambassador stressed the critical importance that everything done in this process be fully in accordance with the law and the constitution and that the political process be managed through consensus and not through imposition by the executive. The Ambassador encouraged Rivera to maintain open lines of communication with both Zelaya and Congress President Micheletti and at this time of uncertainty and to use his authority to establish the legal and constitutional framework for dealing with this issue. Rivera said that although he did not trust Zelaya, he was committed to a mature relationship with the leader of the executive branch and maintained regular communication with him. He stressed that he had developed a close working relationship with Micheletti and that he and Micheletti would work together to support democracy and the rule of law in Honduras.

Zelaya: I Will Leave office

18. (C) The Embassy has also stayed in close touch with the Honduran government on the Fourth Urn. The Ambassador has had lengthy discussions with Zelaya on the issue on a number of occasions, and Zelaya understands our firm support for Honduran democracy. In these meetings, Zelaya has argued for the Fourth Urn, but has insisted that he will support the election process and leave office at the end of his term on January 27, 2010. In a two-hour private discussion with President Zelaya on March 30 and shorter exchange on April 27, the Ambassador told Zelaya that he personally believed that the Fourth Urn proposal was a bad idea and a

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distraction. Above all, the Ambassador underscored the critical importance of dealing with these issues in a strictly legal, constitutional and consensual manner. The Ambassador also made clear that the U.S. would never countenance any actions or measures that would result in the breaking of the constitutional order. Embassy officers have also stayed in close touch with many of Zelaya's senior advisors and conveyed the same consistent message of U.S. support for Honduran democracy and the rule of law.

Comment

19. (C) With only eight months left in office, President Zelaya is maneuvering to retain the political initiative and his political relevance at the expense of his many rivals. While he insists that he will depart on schedule, his actions and increasingly radical statements are having a destabilizing effect on the political order and is undermining the economy and investor sentiment. It is hard to decipher Zelaya's grand strategy. We doubt he has a master plan, but his talent for tactical surprise, improvisation and genius for generating crisis serves his interest in keeping opponents off balance and remaining the chief protagonist on the Honduran political scene. Zelaya's keen opportunism could serve his short and long-term political interests, and may ultimately provide an opportunity to negotiate his way out of power in a way that ensures protection and immunity for him and his family's interests. Unfortunately, all of the maneuvering and scheming might spiral out of control and risk a miscalculation by Zelaya that ultimately will have adverse consequences for himself, his family and the country. In this process it will be critically important for the National Congress, the Supreme Court, the Liberal and National party leaders, the military and the Public Ministry to step-up and provide principled support for the rule of law. The Embassy will continue to work hard behind the scenes to promote a constructive dialogue while making clear to all that the U.S. will stand firm in support of Honduran democracy and strongly oppose any efforts to reverse the many substantial gains that Honduran democracy has achieved in the past 29 years.

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